

# Robeson County: Current Economic Picture

## The US Economy

The health of the US economy remains moderately strong. Labor market conditions have shown further improvement in recent months; however, the unemployment rate remains elevated. Federal Reserve reports that household spending and business fixed investment are increased, and the housing sector has been strengthened, but mortgage rates have risen slightly. The worth noting progress is that the fiscal policy is restraining economic growth progressively. On Friday, December 20, 2013, the Bureau of Economic Analysis released data for the 3<sup>rd</sup> quarter of 2013 ([www.bea.gov](http://www.bea.gov)). According to the news release, real gross domestic product (GDP), a measure of the total output of the economy after adjusting for inflation, grew at an annual rate of 4.1 percent in the third quarter of 2013 (that is, from the second quarter to the third quarter) according to the "third" estimate, and in the second quarter, real GDP increased 2.5 percent. Figure 1 plots these data.

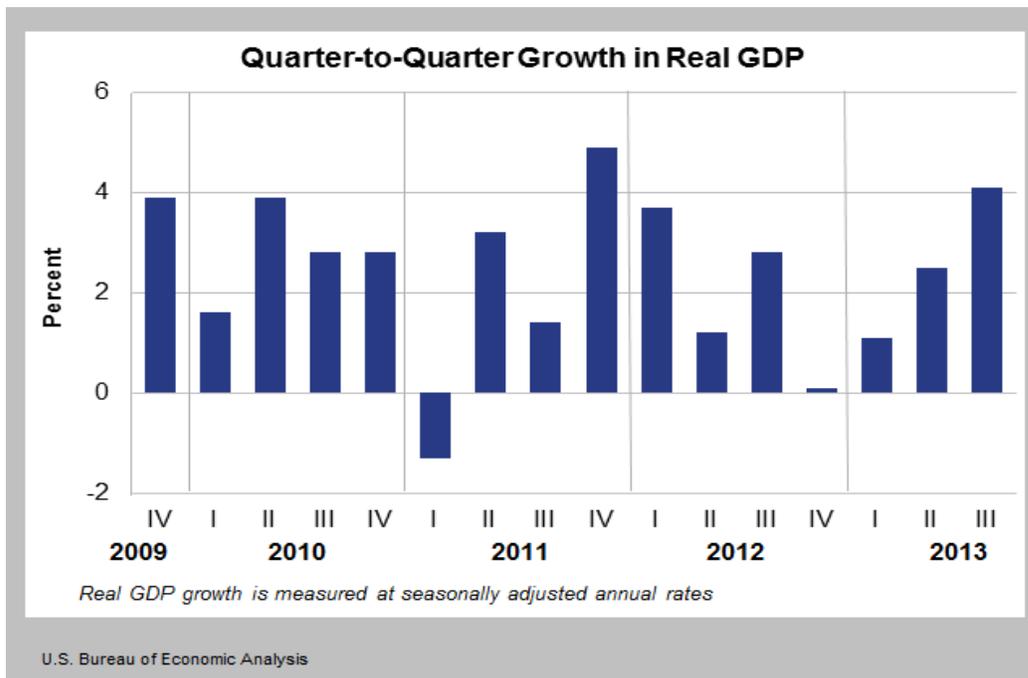


Figure 1: Growth Rate of Real GDP

Real disposable personal income (after tax real personal income) increased from the 1<sup>st</sup> quarter to the 2<sup>nd</sup> quarter and the second to the third quarter, 2013 ([www.bea.gov](http://www.bea.gov)).

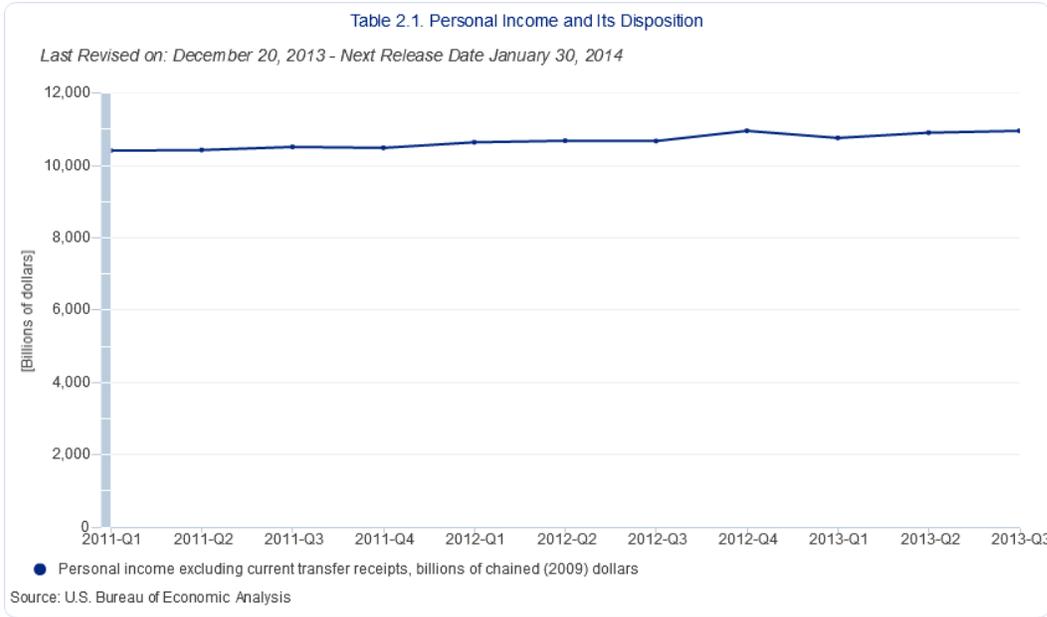


Figure 2. Personal Income and Its Disposition

A similar picture in the labor market. National unemployment rate remains high. According to the recent data released by the Bureau of Labor Statistics (BLS) the unemployment rate during December 2013 was 7.0%. Figure 3 plots the unemployment rate data.

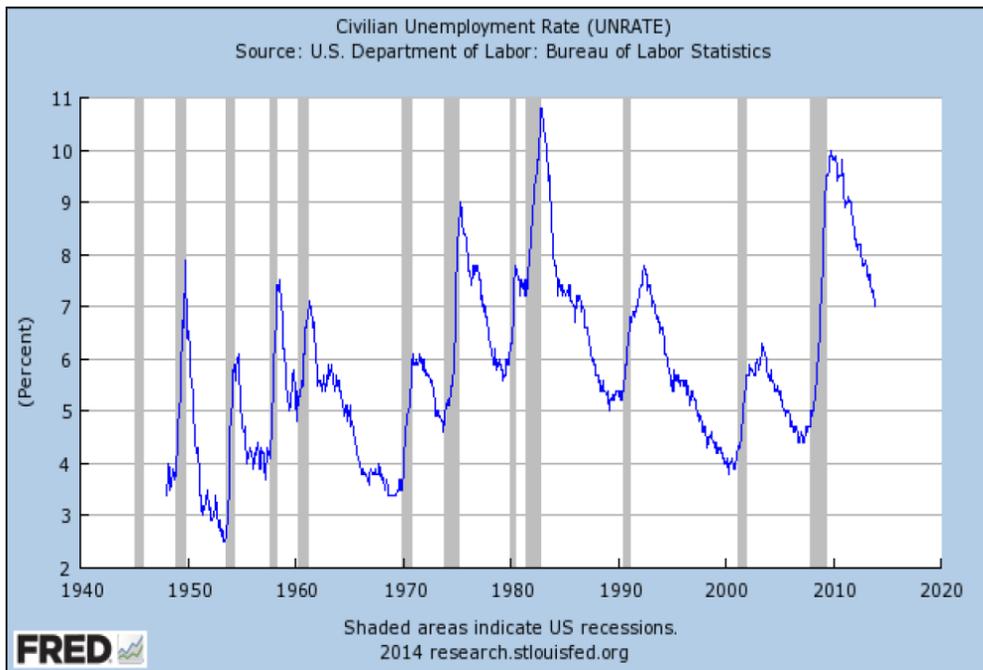


Figure 3: National Unemployment Rate

Another measure which represents the percentage of buildings and equipment being utilized for productive purposes is “Capacity Utilization Rate.” Again, while improving, the use of equipment and buildings remains low at 78.2%. Figure 4 plots these data.

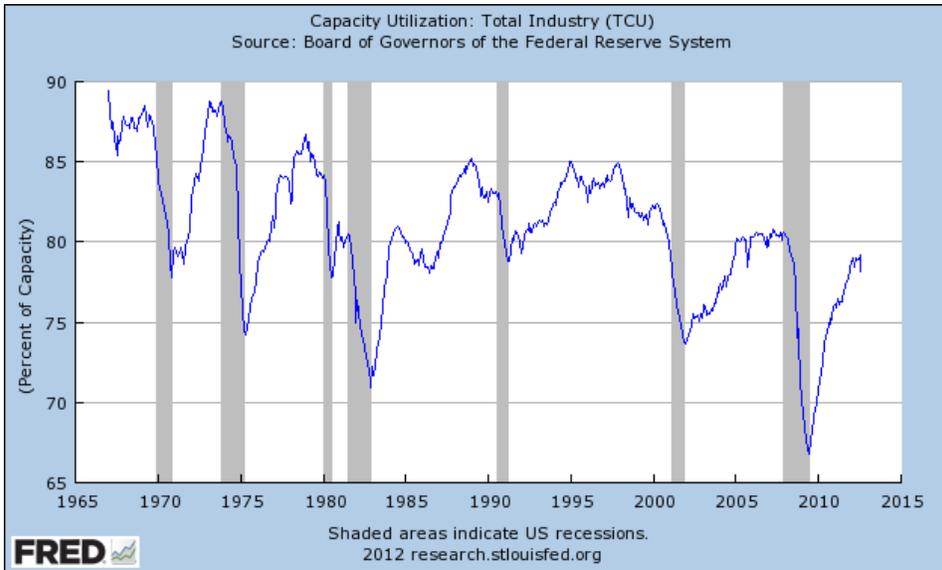


Figure 4: Capacity Utilization

The data also show that while a large proportion of buildings and equipment remain unused, the employers are not hiring many workers. Figure 5 plots data for total private hires.

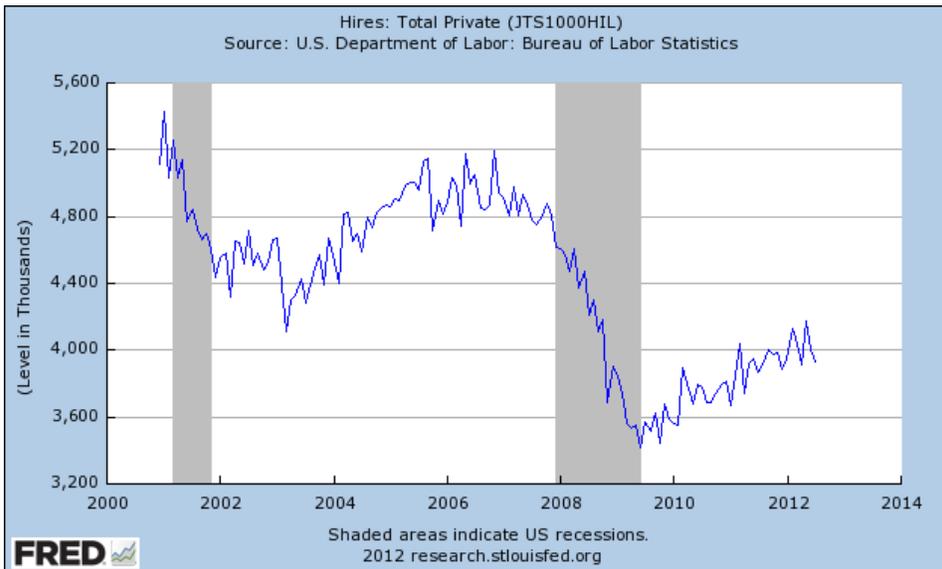


Figure 5: Total Private Hires

This is in spite of the fact that unit labor costs, which represent the cost of labor, remain low. Figure 6 plots these data.

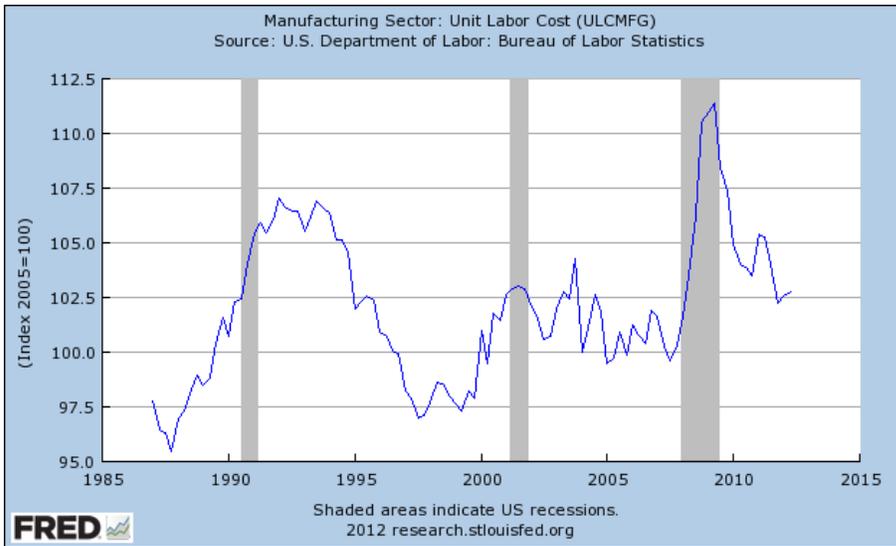


Figure 6: Manufacturing Sector Unit Labor Costs

Government hiring also remains low by historical standards. See Figure 7. In Figure 7, a spike around 2010 represents the hiring of temporary workers for the 2010 census.

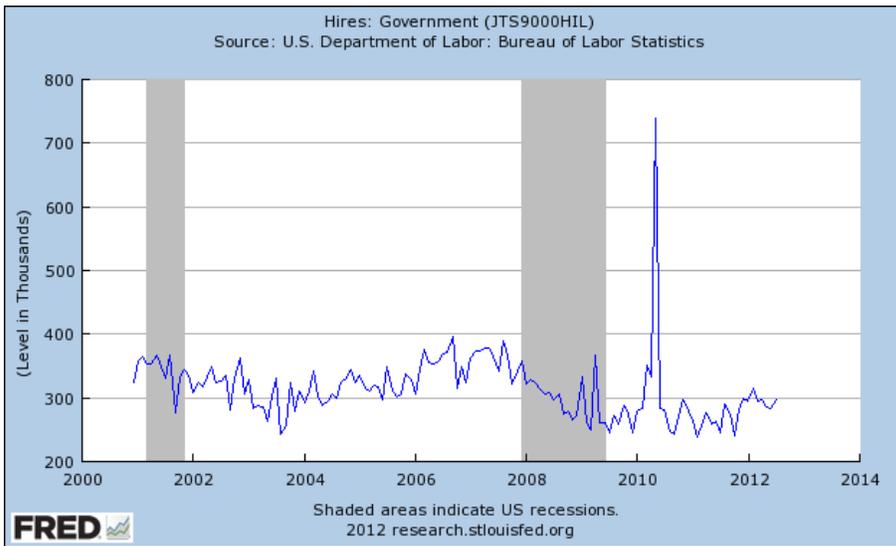


Figure 7: Government Hires

Perhaps one bright spot is the construction sector. Data show an increased hiring in the construction sector. See Figure 8.

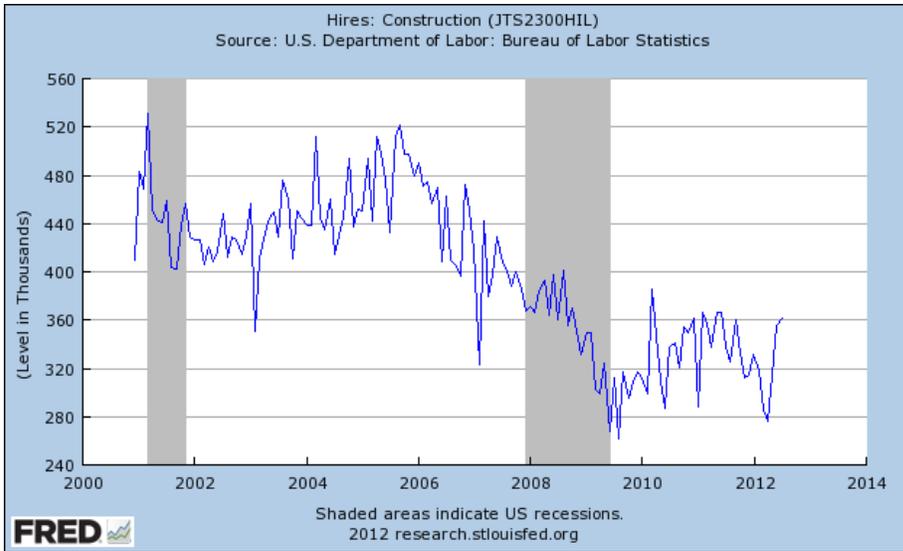


Figure 8: Hires in the Construciton Sector

Interestingly the numbers of layoff have been declining. This means that while the employers may not be hiring a lot of new workers, at least they are not firing workers either. This is a good thing for not only for the workers, but also for the economy as a whole. See Figure 9.

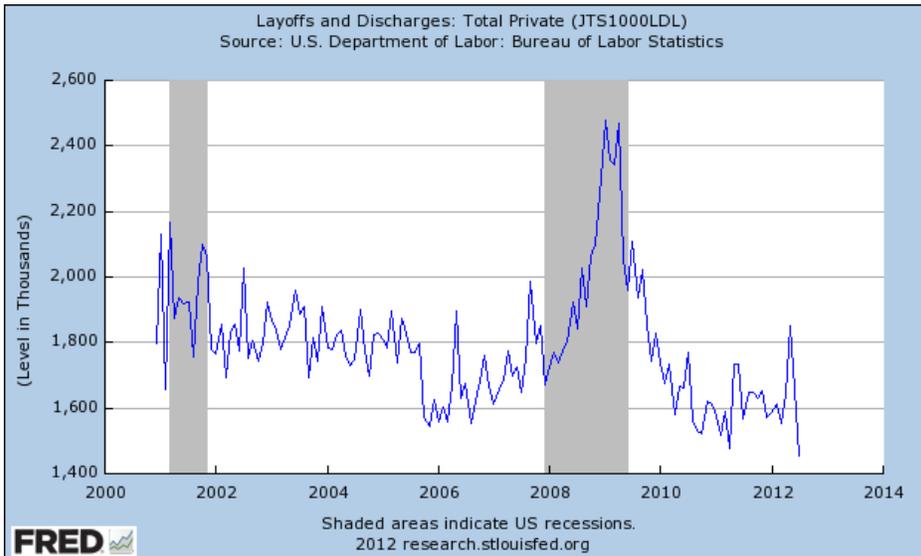


Figure 9: Total Privat Layoffs and Discharges

## North Carolina

We find similar story in North Carolina. While the state output, as measured by state real GDP, i.e. after correcting for inflation, has been increasing, the increase is below what the residents would like it to be. Figure 10 plots North Carolina real GDP data.

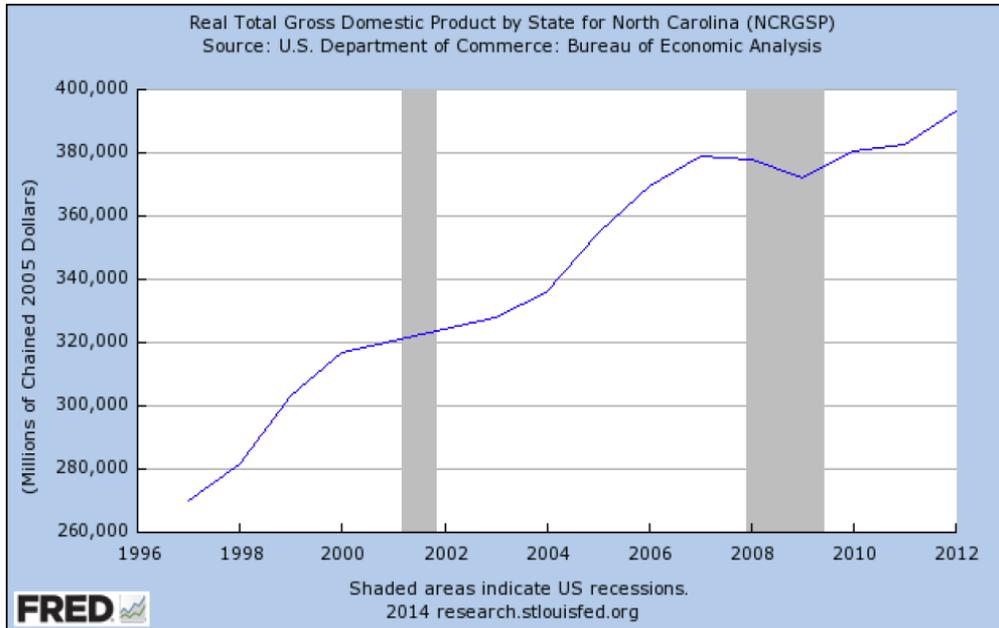


Figure 10: North Carolina Real GDP

The unemployment rate in North Carolina, while declining, remains higher than the national unemployment rate. It was 9.7% during August, 2012. See Figure 11.

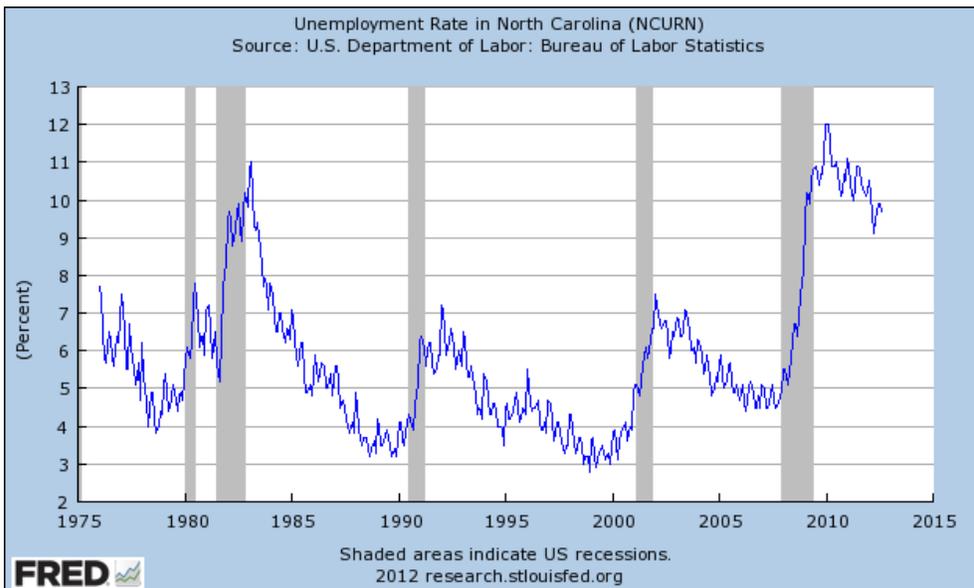


Figure 11: North Carolina Unemployment Rate

As in the case of the US, in North Carolina, the economy, while improving, the improvement rate is rather slow. As Figure 12 shows, per capita income, income divided

by the population, has recovered beyond the pre-recession levels. However, the recovery is lackluster.

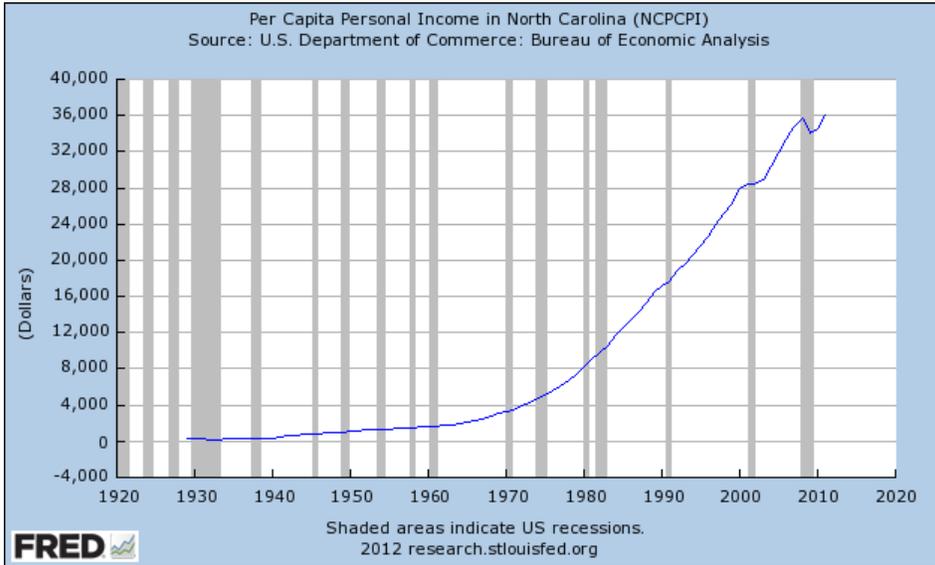


Figure 12: North Carolina per Capita Income

We find similar picture with regard to construction wage—they are recovering but not as well as one would have hoped for. See Figure 13.

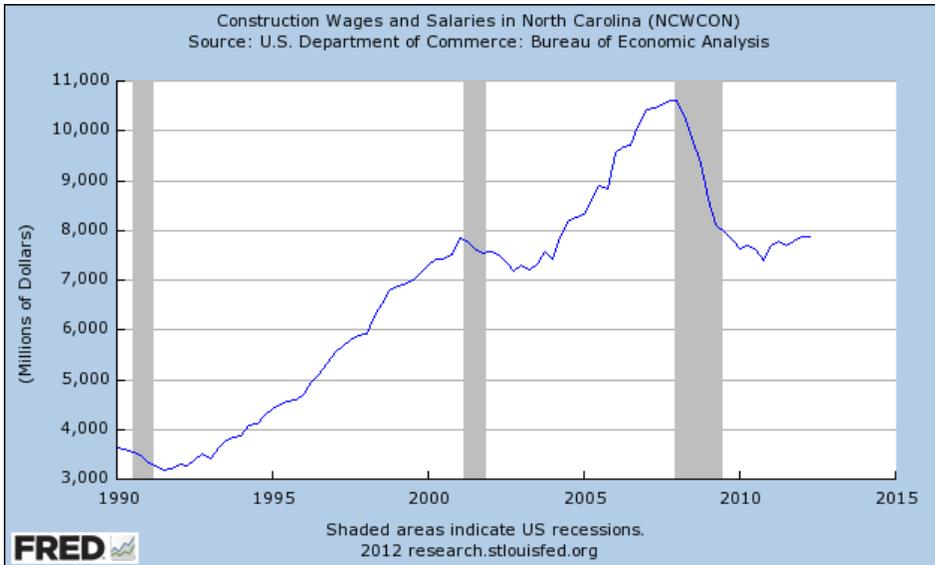


Figure 13: North Carolina Construction Wages and Salaries

Manufacturing employment in North Carolina remains sluggish. It has not recovered to pre-recession levels. See Figure 14.

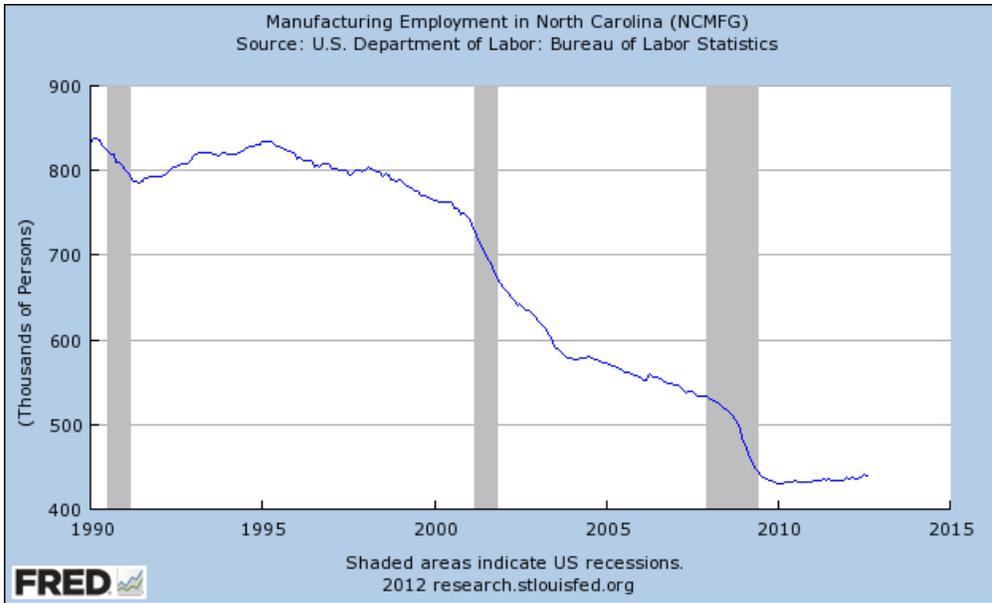


Figure 14: North Carolina Manufacturing Employment

### Robeson County

Robeson County’s economic suffering continues. Per capita personal income in Robeson County seems to have stagnated. Figure 15 plots these data.

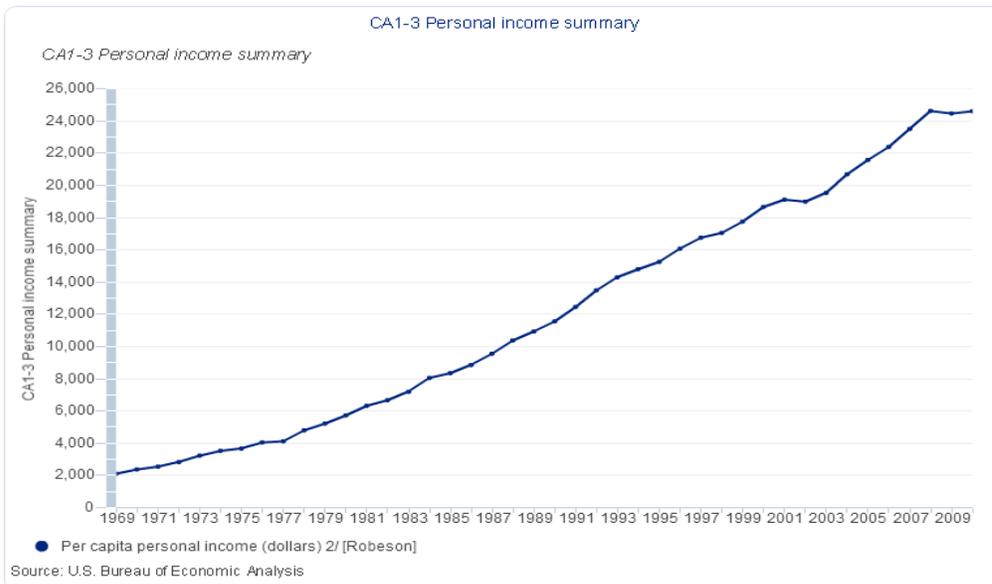


Figure 15 Robeson County per Capita Income

For detail information on the county profile as a whole please visit <http://accessnc.commerce.state.nc.us/docs/countyProfile/NC/37155.pdf> .

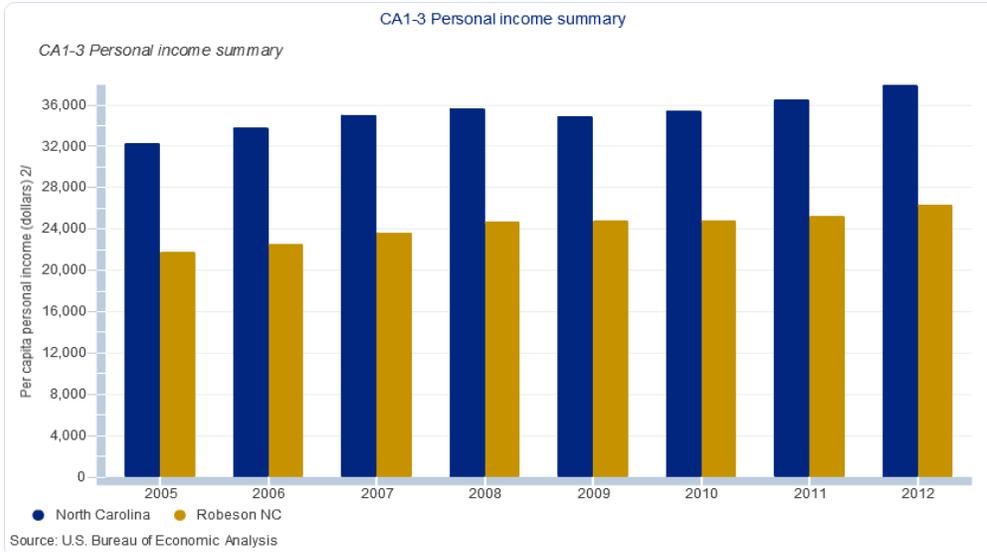


Figure 16: Robeson County per Capita Income and North Carolina

Robeson County has the per capita income of \$14,218 as of 2010, which is lower than the state average of \$23,432. Although, the median household income of Robeson County is \$29,667 and has grown by 5.19% since 2000 which is also lower than the state’s income growth rate of 10.57%.

The unemployment rate stays far higher than the national and state unemployment rates. See Figure 17.

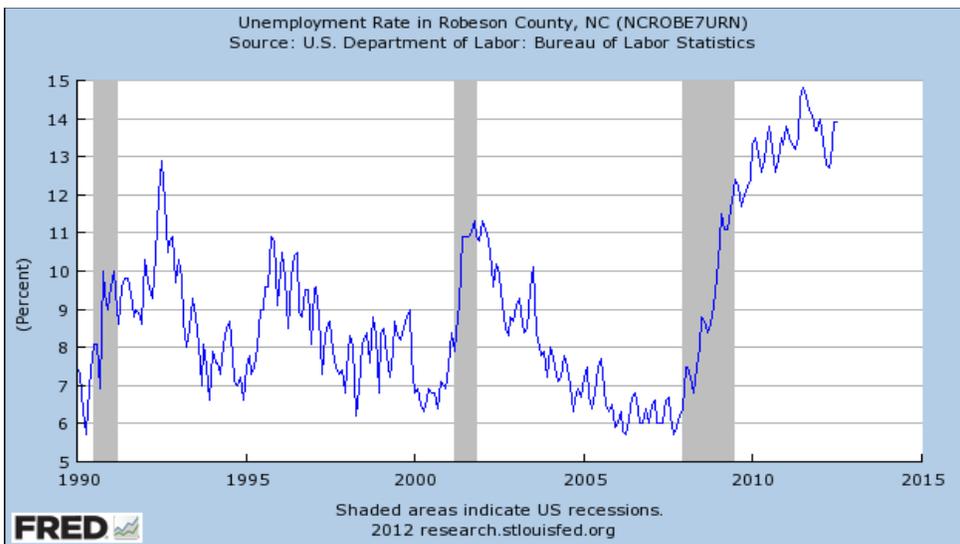


Figure 17: Robeson County Unemployment Rate

This document was prepared by:

Bishwa S Koirala, Ph.D.  
Assistant Professor  
School of Business  
The University of North Carolina at Pembroke  
Email: [koiralabs@uncp.edu](mailto:koiralabs@uncp.edu)  
Phone: (910) 521-6467  
Fax: (910) 521-6750

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